

Converse Consultants NW



December 22, 1993

U.S. Environmental Protection Agency
Region X
1200 Sixth Avenue
Seattle, Washington 98101

Attention: Dave Croxton

Subject: **TERMINAL 91 RCRA FACILITIES; ASSESSMENT REPORT REVIEW**

This letter presents comments based on our review of the *Port of Seattle/ Burlington Environmental Inc., Pier 91 Facility, Seattle Washington, Interim Final Resource Conversation and Recovery Act (RCRA) Facility Assessment (RFA)* dated March 31, 1993. Converse Consultants NW was retained by Pacific Northern Oil to review the RFA and Burlington Environmental Inc. (BEI) comments related to this document.

COMMENTS

Section 2.2, page 4, paragraphs 2-5

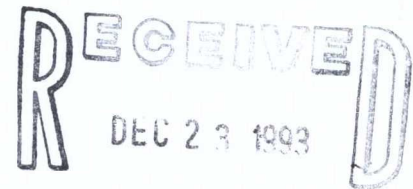
This section does not fully reflect the ownership/operator history at the Pier 91 facility. Review of the title history indicates several owners were present at Terminal 91 prior to the U.S. Navy's tenancy. In addition to the Texas Company (Texaco), these tenants include United Oil Company (who later merged with Texaco), Signal Oil and Gas Company of California (currently doing business as Allied Signal Corporation) and Richfield Oil Corporation (currently doing business as Atlantic Richfield Corporation). A list of tenants at the time of Navy condemnation is listed below.

Seattle Yacht Club
Richfield Oil Company of California
Richfield Oil Company
Independent Petroleum Company
Dependable Tank and Transport Company
Alex K. Stewart and Jane Doe Stewart
Wyllys Hemphill and Jane Doe Hemphill
Wendell Hemphill and Joe Doe Hemphill
Hemphill Oil Company
Harry Lackenby and Jane Doe Lackenby
J.P. Ruddy and Jane Doe Ruddy
Ruddy Fumigating Company
Alex K. Stewart and Jane Doe Stewart

Geotechnical Engineering
and Applied Earth Sciences

18 West Mercer
Suite 300
Seattle, Washington 98119
(206) 285-5200 TEL
(206) 285-6231 FAX

93-35511-02



RCRA PERMITS SECTION

FILE COPY

USEPA RCRA



3012525



W.P. Koady and Jane Dow Koady
California Petroleum Corporation
Homer W. Bennett and Jane Doe Bennett
Mrs W.F. Ollsen and John Doe Ollsen
Lials DeForrest Brown, Ruth Downen and Guy E. Teter
H.O. Cox and Iva L. Cox
Standard Oil Burner Company Inc.
City of Seattle
County of King
State of Washington

The U.S. Navy returned the property to the Port of Seattle except some portions of the Smith Cove Waterway in 1976.

Section 2.2.1, page 4, paragraph 2

For the period of 1974 through March 1, 1978, Chempro (BEI) provided storage and through-put at Terminal 91 for Pacific Northern Oil (PANOCO) without benefit of a written agreement. PANOCO operated under a sublease (through-put agreement) for the period March 1, 1978 through March 1, 1981 (included as Attachment A). During the time 1974 through March 1, 1981, PANOCO had no employees at the facility and had no control over the operations. Chempro (BEI) would invoice PANOCO monthly for storage and through-put services for handling PANOCO's oil. PANOCO's business was confined to industrial customers until late 1976, at which time they began ship bunkering. Chempro (BEI) had oil of at least three customers stored at Terminal 91 during this time frame (1974-1976), including: PANOCO, Boeing, and Northwest Glass, plus Chempro's (BEI) own product.

After March 1, 1981, PANOCO entered into a sublease agreement where it supplied labor and controlled its own operations. At all times prior to March 1, 1981, Chempro (BEI) had care, custody and control of the facilities and supplied labor and controlled the operations. The 1981 sublease agreement was for Tanks 101 through 104, 91 through 95, and 113. Tank 94 was returned to Chempro (BEI) one month later. In 1992, PANOCO added tanks 90 and 99 to their lease. Tank 106 contains condensate return from PANOCO's boiler; however, there is no formal lease agreement on Tank 106. Contents from this tank are discharged to the Municipality of Metropolitan Seattle (Metro).

Section 2.2.1, page 4, paragraph 2, last sentence

The majority of on-specification used oil is sold to PANOCO.

Section 3.3, page 16

This section is not clear. Drainage within the BEI facility is a closed system routed to Metro sanitary sewer. Two storm drain systems exist around the periphery. Each of these terminate in a 12-in. outfall on the east side of Pier



90. A description of the storm drain system is provided by Tetra Tech (1988), pg. 13, Appendix A of the RFA).

Figure 6, page 20

Contents of Tanks 90 and 99 are mislabeled on this Figure. Both of these tanks contain No. 6 fuel oil (Bunker C), not oily waste as written.

Section 4.1.1, page 22, paragraph 5

The 1978 spill at Tank 91 was high pour oil, not bunker fuel as stated and the spill occurred in both the black oil yard and marine diesel yard.

Also in this section, there is no discussion of the 63,000- to 113,400-gallon spill at Tank 94 reported in Chemical Processors Inc., 1988 Solid Waste Management Unit Report, Terminal 91 facility (included as Attachment B).

Section 4.1.5, page 25

PANOCO personnel are not aware of an oil/water separator at the end of Terminal 91. Company records do not indicate that any unit was leased by them or that any decommissioning was performed.

Section 4.1.9, page 28

PANOCO did not own or operate any facilities at Terminal 91 in 1974 and PANOCO have no knowledge of these spills.

Section 4.1.10, page 29

The 6,000- to 10,000-gallon spill occurred in December 1987 or January 1988, not 1977 or 1978 as written. According to PANOCO personnel, this spill did not run off into a storm drain. It went into Chempro's (BEI) drain system, which is then processed by their oil/water separator. Recovered oil went into Chempro's (BEI) tankage and wastewater was discharged to Metro per Chempro's (BEI) permit.

A spill of high pour oil occurred in December 17, 1984 at the railroad tracks west of the warehouse (Building 19) when an internal valve on a rail car froze. Released material was vacuumed up, scraped, and cleaned with detergent and steam cleaned. Discussions with PANOCO indicate the spill was restricted to asphalt and 100 percent cleanup was obtained. Liability of the spill was asserted against Sinclair, who bore the expense of cleanup. Cleanup was performed by Crowley Environmental.



Section 4.2.1, page 30

Soil contained in the concrete berm were from a 4,800-gallon spill from Tank 91 by PANOCO. Soil was excavated from this spill and stored in the concrete berms.

Section 5.11, page 52

The title history report indicates a lease transfer of these tanks from Liberty Petroleum to Lawrence Warehouse Company in 1932. The lease transfer indicates the tanks contained oil and gasoline.

Section 6.1.1, page 55

PANOCO did not own or operate at Terminal 91 in 1974. The 1974 release is appropriately grouped with the BEI SWMU's as written.

Appendix D, page 2, paragraph 6

Recovered oil is stored at the recovery site until the drums are full, at which time it is transferred to PANOCO tanks for reuse.

If you have any questions regarding these review comments, please do not hesitate to call.

CONVERSE CONSULTANTS NW

Erick W. Miller

Erick W. Miller
Senior Hydrogeologist

EWM/kpp

Attachments: PANOCO/Chempro Lease Agreement for period 3/1/78 through 3/1/81
Chemical Processors, Inc., Pier 91 Facility, Solid Waste Management
Unit Report, July 5, 1988 (title page, table of contents, and
Table 3)

P:\EWM\T91RFA.LTR

Approved by:

Dave Waldschmidt/
Pacific Northern Oil



ATTACHMENT A



SUB-LEASE

This Sub-Lease made as of June 1, 1978, by and between the Pacific Northern Oil Corporation, a Washington corporation, hereinafter referred to as Sub-Lessee, and Chemical Processors, Inc., a Washington corporation, hereinafter referred to as Lessor.

WITNESSETH:

WHEREAS, Lessor has a valid and existing leasehold interest in an oil storage terminal located at Pier 91 in the City of Seattle, County of King, Washington and wishes to sub-lease certain tanks in said terminal; and

WHEREAS, Sub-Lessee is an oil company specializing on the sale of residual fuel oil, with physical qualities which necessitate its storage in specially designed tanks capable of heating said product; and

WHEREAS, Lessors tanks are equipped to heat such product and Lessors employees are experienced and competent in the blending transference of such products from storage tanks to trucks and barges which transport said oil; and

WHEREAS, Sub-Lessee wishes to lease such tanks on a continuous and long term basis;

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements contained herein is agreed as follows:

LEASED PREMISES

Pier 91 Oil Storage Tanks 91, 92, 93 and 94, as well as diesel tanks 101, 102 and 104.

TERM

This lease shall be effective March 1, 1978 and shall be effective for an initial period of three years. The original

lease term and extensions thereof shall run concurrently with, and expire on the same date as, the Chemical Processors lease with the Port of Seattle which expires June, 1984.

TANK RENTAL

Four residual fuel oil tanks are included in this lease, numbered 91, 92, 93 and 94. Each tank will have maintained steam coils, valves (including water draw) and interconnecting pipes. The total capacity of said tanks is 114,000 bbls. The tank rental for residual fuel oil is \$.16 per barrel per month on the Shell capacity of these tanks or \$18,240.00 per month. Three diesel or cutter stock tanks are included in this lease, with a total capacity of 17,400 bbls. None of these tanks have coils although they will be maintained in every other respect. The tank rental for these diesel tanks shall be \$.10 per barrel or \$1,740.00 per month.

PRODUCT THROUGHPUT CHARGE

A charge of \$.10 per barrel will be paid on the first 500,000 barrels pumped into the terminal for Sub-Lessee during each 12 month period beginning the first day of March, 1978. A charge of \$.075 per barrel will be paid for the next 250,000 barrels during the same year. A charge of \$.05 per barrel will be paid for all barrels in excess of 750,000 each year. Said charge shall be in consideration of labor and upkeep costs incurred in maintaining, transferring and handling Pacific Northern Oil Corporation's oil and shall be the total compensation therefore except for overtime labor costs. This throughput charge shall include compensation for the use and maintenance of those lines interconnecting Pacific Northern Oil's tanks and Pier 91 and all appurtenances necessary thereto.

OVERTIME LABOR

Lessee shall reimburse Lessor for any overtime labor charges which Lessor incurs as a result of deliveries into or out of the terminal in accordance with Schedule A, appended hereto.

Said charges may fluctuate with any changes in basic hourly wages or tax rates.

STEAM CHARGE

By this lease, Chemical Processors and Pacific Northern Oil agree to exchange one barrel of residual fuel oil for each 4,410 pounds of steam used by Pacific Northern Oil each month. All steam used by Pacific Northern Oil will be recorded on steam condensate meters which physically measure only the space heating usage for tank numbers 91, 92, 93 and 94. Chemical Processors will send Pacific Northern Oil the meter readings by the tenth day of the month following the month in which the steam is used. The balance on exchange will be adjusted as of the tenth day of each month following the month of steam use.

The oil exchange between Chemical Processors and Pacific Northern Oil shall be limited to 3,000 barrels. Any balance greater than 3,000 barrels will be paid in cash within ten days of invoice therefore. The cash-out value for all barrels over 3,000 barrels will be Pacific Northern Oil's weighted average cost of residual fuel oil on the first day of the month in which the ceiling is exceeded.

Notwithstanding the preceding paragraph, the residual fuel oil exchange will be cashed out once every year on March first. The cash-out value on said exchange shall be the weighted average cost of residual fuel oil as calculated from the cost on the last day of each month as recorded in Pacific Northern Oil's accounting records. Said cash-out amount will be due within fifteen days of invoice by the receiving party.

TANK CAR LOADING AND UNLOADING CHARGE

In the event that tank cars need to be steam heated, a steam charge will be made at a rate of \$.05 per barrel. A

Tank car fee of \$.10/bbl shall be made for each tank car loaded or unloaded. A Tank Truck fee of \$.10/bbl shall be made for each tank truck loaded or unloaded. Said Truck charge shall not apply to trucks loaded for the Boeing Corp.

ESCALATION

It is the intent of both parties that those expenses of Chemical Processors which fluctuate with the economy be passed on to Pacific Northern Oil in the form of escalations or decreases in the throughput charges and rail and truck surcharges named above. Both parties agree to adjust said charges in conformance with changes in the Seattle Consumer Price Index, as reported in the periodical "Seattle Business". If that periodical ceases to exist or fails to report said Consumer Price Index, then the National Consumer Price Index as published by the U.S. Bureau of Labor Standards, Department of Commerce shall be used. All charges shall be adjusted on the first day of March of each contract year by multiplying the original charge specified above by the following fraction:

$$\frac{\text{C.P.I. Index \# for December 31 of contract year}}{\text{C.P.I. Index \# for January, 1978}}$$

This adjusted rate shall then be effective for the contract year which begins on March 1.

PORT OF SEATTLE DOCKAGE CHARGES

All vessels including barges berthing at Piers 90-91 for the account of Sub-Lessee, will be subject to dockage charges, payable to the Port per Port Tariff 2-F and may be amended or supplemented from time to time. It is further understood that all berthing assignments will be controlled by the Port's terminal Superintendent of the Pier 90-91 complex, and Sub-Lessee agrees to abide by his decision.

LIABILITY INSURANCE PREMIUM INCREASES

If Lessor incurs increases in its liability insurance premiums as a direct result of new or pending oil spill protection legislation, Lessee shall pay to Lessor that portion of said increase which Lessees use of the facility bears to the total use of the facility.

MAINTENANCE AND REPAIR

Lessor will, at its own expense, during the term of this lease and any extensions thereof, keep and maintain the tanks making such repairs and replacements thereto as may become necessary. Lines of Pier 91 are located at berths B, C, K, M and F for use of the Sub-Lessee (subject to scheduling of berth use).

INDEMNIFICATION-LIABILITY INSURANCE

Both parties shall, at their own expense, maintain proper liability insurance with a reputable insurance company or companies in the minimum limits of \$250,000 (per person) and \$500,000 (per accident or occurrence) for bodily injuries and death, and in the minimum limit of \$250,000 (per accident) for property damage, and hereafter in such increased amounts as the parties may from time to time mutually agree upon, to indemnify the other against any liability resulting from the other party's negligence. Sub-Lessee shall furnish to Chempro evidence that insurance is in force in the required amounts and shall furnish to Chempro from time to time evidence of renewal of insurance as required. Chempro agrees to defend from and hold and save Sub-Lessee harmless from any liability for which it might be charged sub-lessees, invitees, licensees, agents or any other persons occupying Chempro's facilities including liability for oil spills. Pacific Northern Oil agrees to hold Chempro harmless from any liability to third parties Pacific Northern Oil incurs as a result of improper blending of its product.

WAIVER OF SUBROGATION FOR FIRE INSURANCE

Lessor and Sub-Lessee hereby mutually release each other from liability and waive all right of recovery against each other for any loss from perils insured against under the the respective fire insurance contracts, including the

extended coverage endorsements thereto or any further endorsements which apply to other perils insured against in the respective company's property insurance policy(s); PROVIDED, That this paragraph shall be inapplicable if it would have the effect, but only to the extent that it would have the effect, of invalidating any insurance coverage of Lessor or Sub-Lessee.

TAXES

Sub-Lessee shall be liable for, and shall pay throughout the term of this lease, any license and excise fees and occupation taxes covering use of the leased tanks for which it is liable to any government taxing authority including all taxes on personal property of Sub-Lessee.

COMPLIANCE WITH PORT REGULATIONS AND WITH ALL LAWS

Sub-Lessee agrees to comply with all applicable federal, state and municipal laws, ordinances, and regulations, including without limitation those relating to environmental matters.

ASSIGNMENT OR SUBLEASE

The following paragraph is contained in Chemical Processors Master Lease with the Port of Seattle and shall apply to this Sub-Lease. "Sub-Lessee shall not assign or transfer this lease or any interest therein nor sublet the whole or any part of the premises, nor shall this lease or any interest thereunder be assignable or transferable by operation of law or by any processor proceeding or any court, or otherwise, without the written consent of the Port first having been obtained. If Sub-Lessee is a corporation, Sub-Lessee further agrees that if at any time during the term of this lease more than one-half (1/2) of the outstanding shares of any class of stock of Sub-Lessee corporation shall belong to any stockholders other than those who own

more than one-half (1/2) of the outstanding shares of that class of stock at the time of the execution of this lease or to the members of their immediate families, such change in the ownership of the stock of Sub-Lessee shall be deemed an assignment of this lease within the meaning of this paragraph". No Sub-Lease by Pacific Northern Oil shall be entered into by Pacific Northern Oil without the express permission of Chempro. If the Port shall give its consent to any assignment of Sub-Lease, this paragraph shall nevertheless continue in full force and effect and no further assignment or Sub-Lease shall be made without the Port's consent.

DEFAULTS

Time is of the essence of this agreement, and in the event of the failure of Sub-Lessee to pay the rentals or other charges at the time and in the manner herein specified, or to keep any of the covenants or agreements herein set forth to be kept and performed, Chempro may elect to terminate this lease and reenter and take possession of the premises with or without process of law: Provided, however, that Sub-Lessee shall be given notice in writing within fifteen (15) days of default stating the nature of the default in order to permit such default to be remedied by Sub-Lessee within a reasonable time thereafter which in no case shall be less than sixty (60) days. If upon such reentry there remains any personal property of the Sub-Lessee or of any other person upon the leased premises, Chempro may, but without obligation so to do, remove said property and hold it for the owners thereof or may place the same in public storage, all at the expense and risk of the owners thereof, and Sub-Lessee shall reimburse Chempro for any expense incurred by Chempro in connection with such removal and storage. Notwithstanding any such reentry, the liability

of Sub-Lessee for the full rental provided for herein shall not be extinguished for the balance of the term of this lease, and Sub-Lessee shall make good to Chempro any deficiency arising from the reletting of the leased premises at a lesser rental than that hereinbefore agreed upon. Sub-Lessee shall pay such deficiency each month as the amount thereof is ascertained by Chempro.

If Chempro fails to maintain the tanks, lines or pumps in good working condition, lessor shall abate lessees rent on those portions of the leasehold interest effected or impaired by said failure on lessors part. If lessor fails to take action to restore the use of a tank, line or pump within 30 days notice to do so, lessee may find suitable accommodations elsewhere and lessor shall compensate lessee for any extra costs occasioned by the necessity to move or higher rental and/or throughput charges which exist at the alternate storage facility. If lessor shall become bankrupt or if lessor shall receive notice of default from the Port of Seattle, lessee shall be released from this lease if they so elect and/or shall be free to negotiate directly with Port for a lease of the facility.

INSPECTION AND ACCEPTANCE OF PREMISES

Sub-Lessee has inspected the premises and finds them to be acceptable for its needs in its present condition and state of repair.

QUALITY CONTROL

Sub-Lessee wishes to maintain a high standard of quality control. To that end, Lessor promises to institute and maintain practices and procedures which will insure quality control and, specifically agrees to the following:

1. No withdrawals from or discharges into tanks leased or under the control of Pacific Northern Oil will be made except with the express authorization of Pacific Northern Oil. Bills of lading or other documents certifying quantities transferred will be completed and mailed to Sub-Lessee after each transferral.
2. No oils, chemicals or adulterants contained in other tanks at Chempro's facility shall be commingled with oil owned by Pacific Northern Oil or its Sub-Lessees. Commingling in pipelines with adulterants where unavoidable at Pier 91 is authorized only with prior approval of Pacific Northern Oil.
3. Lessor shall maintain and transfer the oil stored in the above named tanks in conformance with normal industry standards. Lessor shall be responsible for all stock loss in excess of .20% per year and will be reconciled and paid by Lessor at the end of each contract year. Lessor shall receive as a credit against any losses any gains which occurred during the contract year.
4. Chempro shall maintain its tanks and lines in a state of good repair so as to provide the heating, maintenance and transferral of residual fuel oil and diesel and shall provide a pumping capacity of at least 1,500 barrels per hour for outgoing shipments. Pacific Northern Oil shall have for its use one line from the tanks to berths B, C and F for residual fuel oil and one line for diesel fuel oil.
5. Pacific Northern Oil and Chempro shall reconcile the volume of oil held in inventory at the end of each month.
6. Lessor will clean and maintain filters, screens and other quality control devices as well as truck racks and railcar racks with all necessary appurtenances thereto.

TERMINATION

Sub-Lessee may terminate this lease by giving the Lessor written notice thereof six (6) months in advance of such termination. In the event that any federal, state or local government or agency instrumentality thereof shall, by condemnation or otherwise, take title, possession of the right to possession of the entirety of the premises subleased herein, Chempro may, at its option, terminate this lease as of the date of such taking, and, if Sub-Lessee is not in default under any of the provisions of this lease on said date, and rental prepaid by Sub-Lessee shall, to the extent allocable to and period subsequent to the effective date of the termination, be promptly refunded to Sub-Lessee by Chempro, which shall be Sub-Lessee's sole remedy against Chempro.

SIGNS

No signs or other advertising matter, symbols, canopies or awnings shall be attached to or painted on or within the lease premises, including the windows and doors thereof, without the approval of Chempro.

INSOLVENCY

If Sub-Lessee shall file a petition in bankruptcy, or if Sub-Lessee shall be adjudged bankrupt or insolvent by any court, or if a receiver of the property of Sub-Lessee shall be appointed in any proceeding brought by or against Sub-Lessee, or if Sub-Lessee shall make any assignment for the benefit of creditors, or if any proceedings shall be commenced to foreclose any mortgage or any other lien on Sub-Lessee's interest in the premises or on any personal property kept or maintained on the premises by Sub-Lessee, Chempro may at its option, terminate this lease.

NON-WAIVER

The acceptance of rental by the Lessor for any period or periods after a default by Sub-Lessee hereunder shall not

be deemed a waiver of such writing. No waiver by Chempro of any default hereunder by Sub-Lessee shall be construed to be or act as a waiver of any subsequent default by Sub-Lessee. After any default shall have been timely cured by Sub-Lessee, it shall not thereafter be used by Chempro as grounds for the commencement of any legal action.

HOLDING OVER

Sub-Lessee shall with the consent of Chempro hold over after the expiration or sooner termination of the term of this lease, the resulting tenancy shall, unless otherwise mutually agreed, be for an indefinite period of time on a month-to-month basis. During such month-to-month tenancy, Sub-Lessee shall pay to Chempro the same rate of rental as set forth herein, unless a different rate shall be agreed upon, and shall be bound by all of the additional provisions of this lease agreement insofar as they may be pertinent.

OPTION TO RENEW SUB-LEASE

Sub-Lessee shall have the option to renew this Sub-Lease at the end of the current term which option must be exercised within ninety (90) days of receipt of written notice by Sub-Lessee from Chempro that Chempro has an extent or renewed Lease with the Port of Seattle, which, notice shall contain the terms and conditions of said Lease renewal. In the event Sub-Lessee elects to renew this Sub-Lease, the terms and conditions thereof shall be the same as contained herein including this option to renew, except for the following: Prices are open to renegotiation and the term of the Sub-Lease renewal shall be the same as the term of the Lease between Sub-Lessor herein and Port of Seattle or any renewal thereof. Sub-Lessee agrees to support Lessor's efforts to renew its lease with the Port of Seattle in 1984 and will refrain from any direct negotiations with the Port of Seattle for lease of the Pier 91 tank farm without the written authorization of Lessor. In the event prices cannot be agreed upon, the

the matter of price may be submitted to arbitration by either party and the decision thereon shall be binding. In the event Lessor elects not to renew lease with the Port of Seattle, and Sub-Lessee elects to negotiate with the Port of Seattle, Lessor will support Sub-Lessee's efforts to lease subject facilities at Pier 91.

LIENS AND ENCUMBRANCES

Sub-Lessee shall keep the leased tanks free and clear of any liens and encumbrances arising or growing out of the use and occupancy of the said tanks by Sub-Lessee. At Chempro's request, Sub-Lessee shall furnish Chempro with written proof of payment of any item which would or might constitute the basis for such a lien on the leased premises if not paid.

NOTICES

All notices and payments hereunder may be delivered or mailed. If mailed, they shall be sent to the following respective addresses:

To Lessor:

Chemical Processors, Inc.
5501 Airport Way South
Seattle, WA 98108

To Sub-Lessee:

Pacific Northern Oil Corporation
1725 Eighth Avenue North
Seattle, WA 98109

or to such respective addresses as either party hereto may hereafter from time to time designate in writing. Notices and payments sent by certified or registered mail and subsequently received by the Lessor shall be deemed to have been given when and if properly mailed, and the postmark affixed by the United States Post Office shall be conclusive evidence of the date of mailing.

This agreement shall be binding upon, and inure to the benefit of, the successors and assigns of each of the parties hereto.

"SUB-LESSEE" INCLUDING SUB-LESSEES, ETC.

It is understood and agreed that for convenience the word "Sub-Lessee" and verbs and pronouns in the singular number and neuter gender are uniformly used throughout this lease, regardless of the number, gender or fact of incorporation of the party who is, or of the parties who are the actual Sub-Lessee or Sub-Lessees under this agreement.

CAPTIONS

The captions in this lease are for convenience only and do not in any way limit or amplify the provisions of this lease.

INVALIDITY OF PARTICULAR PROVISIONS


If any term or provision of this lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this lease or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and shall continue in full force and effect.

ARBITRATION

Any dispute concerning a term or condition of the lease or the breach thereof which cannot be resolved to the satisfaction of both parties shall be submitted to an independent third party arbitrator. Said arbitrator shall be chosen by, and reimbursed equally by, both parties to this lease.

If the parties cannot decide on a mutually satisfactory arbitrator, the arbitration shall be performed pursuant to the laws relating to arbitration as promulgated by the

American Arbitration Association before a board of three persons, consisting of one arbitrator to be appointed by the Lessor, one by the Sub-Lessee and one by the two chosen. The decision of any two of the three on any point or points shall be final. Either party hereto may call for such arbitration by service upon any officer of the other, wherever he may be found, of a written notice specifying the name and address of the arbitrator chosen by the first moving party and a brief description of the disputes or differences which such party desires to put to arbitration. If the other party shall not, by notice served upon an officer of the first moving party within twenty days of the service of such first notice, appoint its arbitrator to arbitrate the dispute or differences specified, then the first moving party shall have the right without further notice to appoint a second arbitrator, who shall be a disinterested person with precisely the same force and effect as if said second arbitrator has been appointed by the other party. In the event that the two arbitrators fail to appoint a third arbitrator within twenty days of the appointment of the second arbitrator, either arbitrator may apply to a Judge of any court of jurisdiction in the city abovementioned for the appointment of the third arbitrator, and the appointment of such arbitrator by such Judge on such application shall have precisely the same force and effect as if such arbitrator had been appointed by the two arbitrators. Until such time as the arbitrators finally close the hearings either party shall have the right by written notice served on the arbitrators and on an officer of the other party to specify further disputes or differences under this Charter for hearing and determination. Awards made in pursuance to this clause may include costs, including a reasonable allowance for attorney's fees.

By 
President SUB-LESSEE

Schedule A Amended
Labor Charges Pier 91
Effective February 1, 1973

| | <u>Straight Time</u> | <u>Swing Shift</u> | <u>Time 1 ½</u> | <u>Swing Time & ½</u> | <u>Double Time</u> |
|-------------------------------|--------------------------|------------------------|---------------------|-------------------------------|------------------------|
| Basic Hourly Wages | 6.89 | 7.03 | 10.34 | 10.55 | 13.78 |
| Bring Benefits: | | | | | |
| Vision .04 | | | | | |
| H & W .42 | | | | | |
| Dental .12 | | | | | |
| Pension .45 | 1.03 | 1.03 | 1.03 | 1.03 | 1.03 |
| FICA Company Portion .0605 | .42 | .43 | .63 | .64 | .83 |
| Dept. of Labor & Industry .06 | .06 | .06 | .06 | .06 | .06 |
| Federal Unemployment .007 | .01 | .01 | .01 | .02 | .01 |
| Unemployment Security 3% | .21 | .21 | .31 | .32 | .41 |
| Administrative Overhead(25%) | <u>2.16</u> | <u>2.19</u> | <u>3.10</u> | <u>3.16</u> | <u>4.03</u> |
| Total | 10.78 | 10.96 | 15.48 | 15.78 | 20.15 |
| Insurance Docktime | | | | | |
| Only \$15/\$100 | <u>1.03</u> | <u>1.05</u> | <u>1.55</u> | <u>1.58</u> | <u>2.07</u> |
| Total | 11.81 | 12.01 | 17.03 | 17.36 | 22.22 |

Definitions:

Straight Time: Monday through Friday inclusive, 8 consecutive hours to start between 6:00 a.m. and 9:00 a.m. and 11:00 a.m. to 1:00 a.m.

Swing Shift: Monday through Friday inclusive, 8 consecutive hours to start between 4:00 p.m. and 6:00 p.m.

Time & ½: All hours worked over eight (8) per day and forty (40) per week and work performed before the regular starting time. In addition, the employee shall be guaranteed eight (8) hours of work or pay commencing with his starting time. Saturday shall be a premium day and anyone called to work on Saturday shall be guaranteed four (4) hours pay at the rate of time and one half.

Double Time: If called to work on Sunday, an employee shall receive double time for a full day. If called to work on Sunday for two (2) hours or less, he shall receive four (4) hours pay at the scheduled overtime rate. If the employee works over two (2) hours, he shall receive eight (8) hours pay at the scheduled overtime rate.

ATTACHMENT B



EPA

CHEMICAL PROCESSORS, INC.
PIER 91 FACILITY

SOLID WASTE MANAGEMENT UNIT REPORT

July 5, 1988

Prepared For
U.S. Environmental Protection Agency
Region 10
Seattle, Washington

Table 3 - Pier 91 Facility: Known Releases to the Environment

page: 4

| UNIT | DATE OF RELEASE | TYPE OF PRODUCT OR WASTE RELEASED (a) | APPROX. QTY/ VOL. RELEASED | MEDIA | NATURE OF RELEASE | HOW RELEASE DETECTED | AGENCY NOTIFIED | MIGRATION PATH | ACTIONS TAKEN |
|-------------------------|--------------------|--|-------------------------------|------------------------|---|---|-------------------------------|--|---|
| Pier Pipeline System | 09-25-85 | Waste oil | 1 1/2 - 2 gal | Water (and dock) | Leakage of valve pit during dock transfer. | Visual observation of oil sheen on water. | Yes (NRC, USCG) | Release dripped off dock and into water. | Cleaned up with boom, absorbent pads and sorbent material. |
| Pier Pipeline System | 1986 | Bunker fuel? | Unknown | Soil and asphalt | Pipeline ruptured due to traffic over paved area. | Unknown | Unknown | Released near truck loading/unloading area (west of tank farm wall near tanks 102- 104). | Released material pumped from excavation around pipeline rupture: Port of Seattle replaced damaged piping and repaired asphalt paving. |
| Pier - Berth F | 08-29-78 | Diesel | 100+ gal | Water (Elliott Bay) | Flange not tightened, valve pit overflowed. Faulty valve allowed pressurization of line with blank flange on it. | | Yes (USCG, Ecology, Metro) | | Cleaned up with boom, absorbent pads, and sorbent material. |

(a) All materials released were from waste oil reclamation operations.

Table 3 - Pier 91 Facility: Known Releases to the Environment

| UNIT | DATE OF RELEASE | TYPE OF PRODUCT OR WASTE RELEASED (a) | APPROX. QTY/ VOL. RELEASED | MEDIA | NATURE OF RELEASE | HOW RELEASE DETECTED | AGENCY NOTIFIED | MIGRATION PATH | ACTIONS TAKEN |
|-------------------------|--------------------|---|-------------------------------|--|---|-------------------------|--------------------------|--|--|
| Pier Pipeline System | 03-11-78 | Bunker C | 42 gal | Asphalt paving; possible release to water | Earthquake caused pipeline rupture. | Visual observation. | Unknown | Ruptured pipeline allowed release to asphalt paving near sublease tenant's truck loading/unloading area (west of tank farm wall near tanks 102- 104). One gallon travelled to storm drain with connection to Elliott Bay. | Released material was picked up with shovels and absorbent pads. Port of Seattle repaired pipeline and repaved asphalt. |
| Pier Pipeline System | 02-06-79 | Bunker oil | 50 - 100 gal | Presumably asphalt on Pier. | Overflowing valve pit. | Unknown | Yes, (Ecology) | Released on Pier. | Spill contained on dock. |
| Pier Pipeline System | 02-22-79 | Bunker C | 100 - 200 gal | Same as above. | Same as above. | Unknown | Yes (Ecology) | Released on Pier. | Spill contained on dock. |
| Pier Pipeline System | 03-22-79 | Black oil for fueling purposes, not waste oil. | 2,000+ | Same as above. | Release caused by failure of tee connection in 16" pier line belonging to Chempro. Accident occurred during off-loading of barge. | Visual observation. | Yes (EPA and Ecology) | Released on Pier. | Chempro clean-up crew and vacuum truck from outside contractor brought in. Approximately 2,000 gallons oil picked up by vacuum truck. Absorbent material spread around perimeter of spill area to prevent spreading. Records indicate that plans called for use of steam cleaner or high pressure cleaner unit to clean up asphalt surface. |

Table 3 - Pier 91 Facility: Known Releases to the Environment

| UNIT | DATE OF RELEASE | TYPE OF PRODUCT OR WASTE RELEASED (a) | APPROX. QTY/ VOL. RELEASED | MEDIA | NATURE OF RELEASE | HOW RELEASE DETECTED | AGENCY NOTIFIED | MIGRATION PATH | ACTIONS TAKEN |
|--|-----------------------------|---------------------------------------|---------------------------------|------------------|---|----------------------|-----------------|---|---|
| Tank 94 | 07-05-88 | Oil | 63,000 - 113,400 gal. | Soil | Operator error: valve to Tank 94 left open during transfer from Tank 93 to Tank 91. Tank 94 overflowed. | Visual observation. | Unknown | Released to gravel-covered unpaved area within diked yard. | Documented plans were to recover spilled oil off the ground and direct it to an on site tank for reclamation. Soil piles in the yard (possibly from this spill; possibly from subsequent spills) and routine cleanup were removed from the area in 1986 and 1987. Analytical results from soil pile sampling in July 1986 indicated that the soil was non-hazardous (see Section 6.0 and Attachment A). The tank system yard was fully paved in 1986. |
| RR Tracks, West of Warehouse (Bldg 19) | Dec 77 or Jan 88 | Bunker fuel. | Approx. 6,000 to 18,000 gallons | Asphalt and soil | Steam pump hose broke free from rail car valve, during unloading. | Visual observation. | Unknown | Release spread under warehouse (Building 19), along RR tracks, and into storm drains in immediate vicinity. | Released material pumped to on-site tank. Residue removed with shovels and absorbent. Spill area cleaned with detergent and steam cleaners. |
| RR Tracks, West of Warehouse (Bldg 19) | 1984 or 1985 | High pure oil. | Up to 20,000 gal. | Asphalt and soil | Internal valve on rail car froze open prior to unloading to sublease tenant's tank system. Release occurred while replacement of fitting was in progress. | Visual observation. | Yes (Ecology) | Release spread along railroad tracks. | Released material was picked up with vacuum truck. The spill area was scraped, cleaned with detergent, and steam cleaned. |

page: 1

Table 3 - Pier 91 Facility: Known Releases to the Environment

| UNIT | DATE OF RELEASE | TYPE OF PRODUCT OR WASTE RELEASED (a) | APPROX. QTY/ VOL. RELEASED | MEDIA | NATURE OF RELEASE | HOW RELEASE DETECTED | AGENCY NOTIFIED | MIGRATION PATH | ACTIONS TAKEN |
|---------|--------------------|--|-------------------------------|-------|---|-------------------------|---|---|---|
| Tank 91 | 11-15-78 | Bunker C | 428,888 | Soil | Valve to a nearly full tank was inadvertently left open during an oil transfer to 2 other tanks. Oil discharged out of breathers in over-filled tank. | Visual observation. | Yes: (USCG). Ecology notified by Fire Depart. (Seattle) | Oil contained within black oil yard and MDO yard diked areas. Diked area floors were unpaved. | Approximately 1/3 of 428,888 gallons recovered by 01-10-79 Ecology inspection. Remaining oil still covered diked area at time of Ecology inspection. Chempro dug holes in the area, let spilled oil seep in, and pumped it out. Documented plans were to salvage approximately 70% and process 30% of released material. Soil was rototilled in mid-1979; then drain tile and crushed rock were added to the yards. Cleanup was completed by late 1979 or early 1980. The tank system yard was fully paved in 1986. |

